

Regular Session, 2010

HOUSE BILL NO. 595

BY REPRESENTATIVE STIAES

TAX/AD VALOREM TAX: Extends the homestead exemption and special assessment level for property damaged or destroyed by a disaster under certain circumstances

1 AN ACT

2 To amend and reenact R.S. 47:1703(E), relative to ad valorem taxes on a homestead which  
3 has been destroyed or is uninhabitable due to a disaster; to authorize an extension of  
4 the homestead exemption and special assessment level for such homesteads under  
5 certain circumstances; to provide for the claiming of the extension of the homestead  
6 exemption and the special assessment level; to provide for certain limitations and  
7 requirements; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:1703(E) is hereby amended and reenacted to read as follows:

10 §1703. Exemptions

11 \* \* \*

12 E. For property ~~Property~~ damaged during a disaster or emergency the  
13 following shall apply:

14 (1)(a) Any homestead receiving the homestead exemption that is damaged  
15 or destroyed during a disaster or emergency declared by the governor whose owner  
16 is unable to occupy the homestead on or before December thirty-first of a calendar  
17 year due to such damage or destruction shall be entitled to claim the exemption by  
18 filing with the assessor of the parish in which the homestead was located, an annual  
19 affidavit of intent to return and reoccupy the homestead within a period of five years

1 from December thirty-first of the tax year in which the disaster occurred. In no event  
2 shall more than one homestead exemption extend or apply to any person in this state.

3 (b) For homesteads qualifying for the homestead exemption under the  
4 provisions of this Paragraph, after expiration of the five-year period, the owner of a  
5 homestead shall be entitled to claim and keep the exemption for a period not to  
6 exceed two additional years by filing an annual affidavit of intent to return and  
7 reoccupy the homestead with the assessor within the parish or district where such  
8 homestead is situated. A homeowner shall be eligible for this extension only if the  
9 homeowner's damage claim to repair or rebuild the damaged or destroyed homestead  
10 is filed and pending in a formal appeal process with any federal, state, or local  
11 government agency or program offering grants or assistance for repairing or  
12 rebuilding damaged or destroyed homes as a result of the disaster or if a homeowner  
13 has a damage claim filed and pending against the property's insurer or insurers. The  
14 assessor shall require the homeowner to provide official documentation from the  
15 government agency or program evidencing the homeowner's participation in the  
16 formal appeal process or official documentation evidencing the homeowner has a  
17 damage claim filed and pending against the property's insurer or insurers.

18 (c) After expiration of the extension authorized in Subparagraph (b) of this  
19 Paragraph, an assessor shall have the authority to grant up to three additional one-  
20 year extensions of the homestead exemption. A homeowner shall be eligible for an  
21 additional extension if the owner has made a good faith attempt to secure a  
22 contractor or builder to complete the needed repairs or reconstruction of the home,  
23 but is unable to complete the project due to uncontrollable contractor or builder  
24 delays. In order to qualify for this extension, the homeowner shall provide to the  
25 assessor documentation evidencing good faith in attempting to secure a contractor  
26 or builder to complete the project. The assessor is authorized to grant this additional  
27 extension on a case-by-case basis.

28 (2)(a) Any owner entitled to the special assessment level set forth in Article  
29 VII, Section 18(G) of the Constitution of Louisiana who is unable to occupy the

1 homestead on or before December thirty-first of a future calendar year due to  
2 damage or destruction of the homestead caused by a disaster or emergency declared  
3 by the governor shall be entitled to keep the special assessment level of the  
4 homestead prior to its damage or destruction on the repaired or rebuilt homestead  
5 provided the repaired or rebuilt homestead is occupied by the owner within five  
6 years from December thirty-first of the year following the disaster. The assessed  
7 value of the land and buildings on which the homestead was located prior to its  
8 damage shall not be increased above its assessed value immediately prior to the  
9 damage or destruction described in this Paragraph. If the property owner receives  
10 a homestead exemption on another homestead during the same five-year period, the  
11 damaged or destroyed property shall not be entitled to keep the special assessment  
12 level, and the land and buildings shall be assessed in that year at the percentage of  
13 fair market value set forth in the constitution. In addition, the owner must also  
14 maintain the homestead exemption set forth in Article VII, Section 20(A)(10) of the  
15 Constitution of Louisiana to qualify for the special assessment level set forth in  
16 Article VII, Section 18(G)(5) of the Constitution of Louisiana.

17 (b) Any owner entitled to the special assessment level as provided for in this  
18 Paragraph who is unable to reoccupy their homestead within five years from  
19 December thirty-first of the year following the disaster shall be eligible for an  
20 extension of the special assessment level on the homestead for a period not to exceed  
21 two years. A homeowner shall be eligible for this extension only if the homeowner's  
22 damage claim is filed and pending in a formal appeal process with any federal, state,  
23 or local government agency or program offering grants or assistance for repairing or  
24 rebuilding damaged or destroyed homes as a result of the disaster or if a homeowner  
25 has a damage claim filed and pending against the property's insurer or insurers. The  
26 homeowner shall apply for this extension of the special assessment level directly  
27 with the assessor of the parish in which the homestead is located. The assessor shall  
28 require the homeowner to provide official documentation from the government  
29 agency or program evidencing the homeowner's participation in the formal appeal

1 process or official documentation evidencing the homeowner has a claim filed and  
2 pending against the property's insurer or insurers.

3 (c) After expiration of the extension authorized in Subparagraph (b) of this  
4 Paragraph, an assessor shall have the authority to grant up to three additional one-  
5 year extensions of the special assessment level. A homeowner shall be eligible for  
6 an additional extension if the owner has made a good faith attempt to secure a  
7 contractor or builder to complete the needed repairs or reconstruction of the home  
8 but is unable to complete the project due to uncontrollable contractor or builder  
9 delays. In order to qualify for this extension, the homeowner shall provide to the  
10 assessor documentation evidencing good faith in attempting to secure a contractor  
11 or builder to complete the project. The assessor is authorized to grant this additional  
12 extension on a case-by-case basis.

13 Section 2. This Act shall take effect and become operative if and when the proposed  
14 amendment of Article VII, Sections 18(G)(5) and 20(A)(10) of the Constitution of Louisiana  
15 contained in the Act which originated as House Bill No. \_\_\_\_\_ of this 2010 Regular  
16 Session of the Legislature is adopted at the statewide election to be held on November 2,  
17 2010, and becomes effective.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB No. 595

**Abstract:** Authorizes an additional two-year extension of the homestead exemption and the special assessment level for uninhabitable property damaged or destroyed by a disaster if the homeowner's damage claim is pending in a formal appeal process with a governmental program or agency or if a homeowner has a damage claim filed and pending against the property's insurer.

Present law and present constitution provides that any homestead receiving the homestead exemption that is damaged or destroyed during a disaster or emergency whose owner is unable to occupy the homestead on or before Dec. 31 of a calendar year due to such damage or destruction shall be entitled to claim and keep the exemption by filing with the assessor an annual affidavit of the taxpayer's intent to return and reoccupy the homestead within five years from Dec. 31 of the year following the disaster.

Proposed law retains present law but adds that any owner of a homestead qualifying for the five-year extension of the homestead exemption provided for in present law shall be entitled

to claim and keep the exemption for up to two additional years by filing with the assessor an annual affidavit of intent to return and reoccupy the homestead.

Present law and present constitution provide that any person entitled to the special assessment level who is unable to occupy the homestead on or before Dec. 31 of a calendar year due to damage or destruction of the homestead caused by a disaster or emergency shall be entitled to keep the special assessment level on the repaired or rebuilt homestead provided the homestead is reoccupied by the owner within five years from Dec. 31 of the year following the disaster.

Proposed law retains present law but adds that any owner qualifying for the five-year extension of the special assessment level who is unable to reoccupy the damaged or destroyed homestead within five years, shall be eligible for an additional extension of the special assessment level on the damaged or destroyed homestead for up to two additional years.

Proposed law provides that a homeowner shall only be eligible for this extension of the homestead exemption and the special assessment level if the homeowner's damage claim is filed and pending in a formal appeal process with any federal, state, or local government agency or program offering grants or assistance for repairing or rebuilding damaged or destroyed homes as a result of the disaster or if a homeowner has a damage claim filed and pending against the property's insurer. Requires the homeowner to provide official documentation from the governmental agency or program evidencing the homeowner's participation in the formal appeal process or official documentation evidencing the damage claim filed and pending against the property's insurer.

Proposed law provides that in addition to the two-year extension of the homestead exemption and the special assessment level contained in proposed constitutional amendment, an assessor is authorized to grant up to three additional one-year extensions of the homestead exemption and the special assessment level if the owner has made a good faith attempt to secure a contractor or builder to complete the needed repairs or reconstruction of the home but is unable to complete the project due to uncontrollable contractor or builder delays. The homeowner shall provide to the assessor documentation evidencing good faith in attempting to secure a contractor or builder to complete the project. The assessor is authorized to grant this additional extension on a case-by-case basis.

Effective if and when the proposed amendment of Article VII, §§18(G)(5) and 20(A)(10) of the Const. of La. contained in the Act which originated as House Bill No. \_\_\_\_\_ of this 2010 R.S. of the Legislature is adopted at the statewide election to be held on Nov. 2, 2010, and becomes effective.

(Amends R.S. 47:1703(E))

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Authorized homeowners who have a damage claim filed and pending against the property's insurer to be eligible for extension of the homestead exemption and special assessment level for homesteads damaged or destroyed as a result of a disaster.
2. Required the homeowner to provide to the assessor, official documentation evidencing the homeowner has a claim filed and pending against the property's insurer for extension of the homestead exemption and the special assessment level for homesteads damaged or destroyed as a result of a disaster.